

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012

Docket No. N2012-1

SUPPLEMENTAL TESTIMONY OF
PIERRE KACHA
OF DECISION/ANALYSIS PARTNERS
ON BEHALF OF
AMERICAN POSTAL WORKERS UNION, AFL-CIO
APWU-ST-2

June 12, 2012

1 **PURPOSE OF SUPPLEMENTAL TESTIMONY**

2 The purpose of this supplemental testimony is to provide the results of an
3 additional scenario modeled by the network simulation model described in detail in my
4 original rebuttal testimony, revised May 7, 2012. This new scenario represents the
5 actual facility assignments proposed by the Postal Service based on the additional
6 information submitted by the Postal Service on June 4, 2012. This additional
7 information relates to the Postal Service's modified plan, disclosed in the USPS Postal
8 News, Release No. 12-058, dated May 17, 2012, and further described in the Revised
9 Service Standards for Market-Dominant Mail Products, final rule, published in the
10 Federal Register on May 25, 2012. The final rule includes phased implementation of
11 the network rationalization proposal.

12 My supplemental testimony incorporates my original rebuttal testimony by
13 reference and presents the results of the network simulation model run using the actual
14 facility assignments proposed for "Phase 1" implementation of the Postal Service's
15 proposal to rationalize its network and revise its service standards.

16 APWU expects to file one Library Reference associated with my supplemental
17 testimony, APWU-LR-N2012-1/NP15. This library reference is forthcoming and will
18 include the model input, output and analysis data related to the results of the model run
19 presented in this testimony.

On June 4, 2012, Postal Service witness Emily Rosenberg responded to the Commission's Information Request No. 1. Her response to CIR Question 4 included an attachment which detailed the 48 facilities the Postal Service proposes to consolidate during the summer of 2012. Under my direction, decision/analysis partners, LLC (d/ap) ran than the network simulation model presented in my rebuttal testimony using the 48 facilities the Postal Service intends to discontinue this summer to determine the expected service performance for letters and flats after "Phase 1" implementation.

The results of this modeled scenario are detailed in Table 1 below:

	TABLE 1 Inter SCF Overnight					
	% Letters On Time		% Flats On Time		% Letters & Flats On Time	
	Service Performance	Delta w respect to Baseline	Service Performance	Delta w respect to Baseline	Service Performance	Delta w respect to Baseline
FY2010 Baseline	69.25%		70.82%		69.31%	
FY2010 Less 48 "Summer"	68.93%	-0.32%	69.71%	-1.11%	68.96%	-0.35%
PostAMP "Current"	68.30%	-0.95%	70.20%	-0.61%	68.37%	-0.94%
PostAMP "Current" Less "48 Summer"	68.45%	-0.80%	69.50%	-1.31%	68.49%	-0.82%

The results listed above show that the impact on inter-SFC overnight delivery will be minimal. This suggests that the Postal Service can implement the consolidations planned for this summer while maintaining the current service standards.